



STATE OF WASHINGTON  
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm 206, PO Box 40908 \* Olympia, Washington 98504-0908 \* (360) 753-1111 \* Fax (360) 753-1112  
Toll Free 1-877-601-2828 \* E-mail: [pdc@pdc.wa.gov](mailto:pdc@pdc.wa.gov) \* Website: [www.pdc.wa.gov](http://www.pdc.wa.gov)

July 5, 2006

KING COUNTY LABOR COUNCIL  
ATTN: STEVE WILLIAMSON  
2800 FIRST AVE STE 206  
SEATTLE WA 98121

Subject: Complaint filed against Yes On Initiative 18 Committee - PDC Case No. 04-438

Dear Mr. Williamson:

The Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received February 11, 2004, alleging that Yes on Initiative 18 (Yes on I-18), a political committee, failed to disclose obligations for professional services received or failed to report the receipt of an in-kind contribution for payment of the services.

PDC staff reviewed your complaint in light of the following statute:

**RCW 42.17.080 and .090** require political committees to timely file frequent and detailed reports of its contribution and expenditure activities, including its debts and obligations.

You alleged that Yes on I-18 failed to disclose obligations for professional services provided to the committee by Tim Eyman, and by failing to report the receipt of an in-kind contribution from the King County Corrections Guild (KCCG) when the Guild paid for those services. We found that:

- Yes on I-18 filed a Committee Registration Statement (PDC Form C-1pc) on March 31, 2003. The C-1pc stated that Yes on I-18 was a political committee formed to support a local ballot proposition to reduce the King County Council from 13 to 9 members.
- Yes on I-18 received \$150,161 in contributions and incurred expenditures totaling \$133,302. All of the committee's contributions were from the general fund of the KCCG.
- Jared C. Karstetter, Jr., legal adviser for KCCG, contacted Tim Eyman on behalf of the Guild and Yes on I-18 in March or April 2003 and asked Mr. Eyman if he would help out with the efforts of the committee. He told Mr.

Eyman that the Guild and Initiative Committee had not undertaken an initiative effort before, were having problems gathering the required signatures, and were in need of assistance.

- Mr. Karstetter said Mr. Eyman was interested in the issue of reducing the size of the King County Council, and initially agreed to provide assistance to Yes on I-18. He said Mr. Eyman only asked that the Guild give him assistance with an initiative on which he was working. That initiative did not work out, and Mr. Eyman provided help to Yes on I-18 without a contractual obligation or agreement for payment. Yes on I-18, the KCCG and Mr. Eyman all stated that there was no expectation of payment and no obligation to pay Mr. Eyman for the services he provided during the Initiative 18 campaign.
- Mr. Eyman's role for Yes on I-18 was that of an initiative advisor. He recommended a signature gathering firm, sent out press releases that had been approved by the board, and talked to the media. Mr. Eyman did not engage in fund raising or direct mail activities as was normal when working on his own initiative campaigns.
- At the completion of the signature gathering effort in May 2003, the campaign ended and the Yes on Initiative 18 Committee filed a final report at that time for activities undertaken through May 31, 2003. The treasurer for the Guild and Yes on I-18 said he closed the books because the campaign had not entered into any obligations and had no further business to conduct.
- In October 2003, the Executive Board of the KCCG authorized a check for \$20,000 as a thank-you gift to Mr. Eyman for the assistance he provided to the Guild in its Initiative 18 efforts. The check was dated October 29, 2003, but was not given to Mr. Eyman until December 9, 2003 because of the need to obtain two signatures on the check.
- Upon receiving the check and a thank-you letter from Mr. Karstetter, Mr. Eyman asked Mr. Karstetter if the committee had reported the gift to the PDC. Mr. Karstetter told Mr. Eyman that he had checked with the PDC and had been told that reporting was not required since no obligation or contractual agreement had been entered into by the committee, and the Guild had decided after the campaign to thank Mr. Eyman with a monetary gift.
- On December 12, 2003, Mr. Eyman informed PDC staff of the gift by sending a copy of Mr. Karstetter's letter to the PDC explaining the circumstances, a copy of Mr. Karstetter's transmittal letter to Mr. Eyman, a copy of the check for \$20,000 and a copy of a letter from Mr. Eyman to Mr. Karstetter thanking him for the gift. Mr. Eyman also informed the press of the payment.

The KCCG, the Yes on I-18 committee, and Tim Eyman all agree that there was no contractual agreement or obligation entered into to pay Mr. Eyman for the services he provided to Yes on I-18, and no expectation for payment after the campaign. No evidence was found that there was an expectation that Mr. Eyman would be paid after the campaign.

Once the KCCG decided to provide a thank you gift to Mr. Eyman, the Guild contacted PDC staff to inquire as to its reporting obligation, if any, and understood from the conversation with staff that reporting was not required since an obligation did not exist during the campaign and the payment was not made by the Yes on I-18 committee. In addition, the KCCG sent a letter to PDC staff on December 12, 2003 describing the details of the transaction. The letters sent to the PDC by Mr. Karstetter and Mr. Eyman in December 2003 will be scanned as part of the campaign finance documents filed by the Yes on I-18 committee.

Because the services provided by Mr. Eyman do not qualify as volunteer services under WAC 390-17-405, the Yes on I-18 committee will be asked to amend its final report to reflect an in-kind contribution from Mr. Eyman for the value of the professional services he provided to the committee. The committee will also be asked to account for the disposition of the "cash-on-hand" balance of ~~\$14,858.93~~ reflected on its final report.

#16,858.93 B

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against the Yes on Initiative 18 Committee.

If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828.

Sincerely,



Vicki Rippie  
Executive Director

c: Tim Eyman